

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

A.C.L.N., LTD., et al.,

Defendants.

Civil Action No.
1:02-CV-7988 (LAP)

THE DISTRIBUTION AGENT'S TWENTY-SECOND PROGRESS REPORT

Garden City Group, LLC ("GCG"), the Court-appointed Distribution Agent¹ in the above-captioned matter, respectfully submits this Twenty-Second Progress Report, pursuant to the Distribution Plan (the "Plan")² approved by this Court. Pursuant to section 7.2 of the Plan, the Distribution Agent was required to file a progress report within 45 days of entry of the Plan and file additional reports within 20 days after the end of every calendar quarter thereafter. This Twenty-Second Progress Report covers the period beginning April 1, 2018 through June 30, 2018.

¹ GCG was appointed on March 28, 2012. Docket Entry 49.

² All capitalized terms not otherwise defined in this document shall have the meanings provided in the Plan. The Plan was approved by the Court on April 1, 2013. Docket Entry 62.

**Tasks Performed by the Distribution
Agent Since the Twenty First Progress Report**

From April 1 to June 30, 2018, GCG has performed the following tasks pursuant to the Plan:

- GCG supported post-distribution efforts by responding to Eligible Claimant inquiries regarding the disbursements received;
- GCG monitored the toll-free number, assisted Potentially Eligible Claimants with their inquiries, and responded to messages received. As of June 30, 2018, GCG has received 1,447 phone calls;
- GCG monitored the dedicated website for this administration and as of June 30, 2018, there were 5,180 unique visitors to the website;
- GCG has monitored the email inbox dedicated for this action and has promptly responded to all potential claimant inquiries; and
- GCG will continue to perform the above-referenced tasks as well as others necessary to administer the ACLN Distribution Fund.

Anticipated Next Steps

In the next quarter, GCG will carry out the other terms of the Plan, including:

- GCG will provide the SEC staff with a revised draft of declaration in support of the SEC's motion to approve a second disbursement of the remaining balance of the Fair Fund and, upon approval of that motion, GCG will conduct the second disbursement;
- File its next Progress Report within twenty (20) days after the end of the next quarter, pursuant to section 7.2 of the Plan; and
- Perform any other tasks as necessary to administer the ACLN Distribution Fund.

**Location of the ACLN Distribution Fund and
Disbursements During the Quarterly Period**

The proceeds of the ACLN Distribution Fund in this matter are currently held in an escrow account at Signature Bank and are invested in short-term United States Treasury securities.

As of June 30, 2018, the balance of the ACLN Distribution Fund was \$2,235,976.73. This amount is primarily comprised of uncashed or undistributed funds. Pursuant to section 7.2 of the Plan, a quarterly account statement will be filed with the Court simultaneously herewith.

Dated: July 20, 2018

Respectfully submitted,

By: 

Lorri Staal
Garden City Group, LLC
Distribution Agent
1985 Marcus Ave.
Lake Success, NY 11042

Section Line **QUARTERLY CASH REPORT for A.C.L.N., Ltd.**

A 1 **DISTRIBUTION FUND**
 2 **SEC Action Number: Civil Action No. 1:02-CV-7988 (LAP)**
Period Covered in this Report:
 3 **From 04/01/18**
 4 **To 06/30/18**

B Bank Account Balance(s) Beginning of Quarter \$ 2,229,992.77

C Funds Received

1	From SEC or Court	\$	-
2	Interest Earned	\$	5,983.96
3	Returned Funds	\$	-
4	Tax Refund	\$	-
5	Other - describe	\$	-

Subtotal Funds Received \$ 5,983.96

D Disbursements

* 1	Payments to Claimants during this Quarter	\$	-
	Payments to Other than Claimants/Investors:		
2	Distribution Agent Fees	\$	-
3	Distribution Agent Expenses	\$	-
4	Tax Administrator Fees and Expenses	\$	-
5	1042S Tax Withholding Funding Disbursement	\$	-
6	Other - describe	\$	-

Subtotal Disbursements

\$

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E Bank Account Balance(s) End of Quarter

\$

2,235,976.73

F 1 End of Quarter Balance(s) by Account

Signature Bank Account ending - 9264	\$	2,235,976.73
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2	Total Bank Account Balance(s)	\$	<u>2,235,976.73</u>
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3	Less Outstanding Checks	\$	-
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** 4	Available Funds - End of Quarter	\$	<u><u>2,235,976.73</u></u>
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G Fund Information Footnote: Tranches from Inception

<u>Distribution Date</u>	<u># of Distribution Payments Issued</u>	<u>Total Issued</u>
April 29, 2015	2,826	\$ 29,746,415.26

H Prepared by:

Garden City Group, LLC

1 (Distribution Agent)

2 (signature)

3 **Assistant Vice President**

(title)

Lorri Staal

(printed name)

7.20.18

(date)

* These are either initial distribution checks that were cashed, or uncashed/undeliverable checks that were reissued.

** The remaining funds consist of returned funds, interest earned, and the unused portion of the reserve for tax fees and expenses.